

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
INBOUND COMPETITIVE MULTI-SERVICE AGREEMENTS WITH  
FOREIGN POSTAL OPERATORS  
PRIME UNITED STATES POSTAL SERVICE TRACKED SERVICE  
AGREEMENT (MC2010-34)  
NEGOTIATED SERVICE AGREEMENT

Docket No.  
CP2020-169

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 1**  
(June 23, 2020)

The United States Postal Service (Postal Service) hereby responds to Chairman's Information Request No. 1 (ChIR 1), question 4, issued on June 17, 2020. The question is stated verbatim and is followed by the responses. The Postal Service also files as Attachment 1, a certified statement concerning the "PRIME United States Postal Service Tracked Service Agreement" that is required by 39 C.F.R. § 3035.105(c)(2), and additional financial workpapers responsive to ChIR 1.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

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June 23, 2020

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4. Please see Attachment, filed under seal.

**RESPONSE:**

Please see Non-public Response, filed under seal.<sup>1</sup>

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<sup>1</sup> The Commission filed Question nos. 1-7 of this ChIR No. 1 under seal. The Postal Service therefore also files this question, its responses, and additional responsive financial workpapers under seal. The Postal Service further incorporates by reference the Application for Non-public Treatment of Materials that it filed in this case. See Notice of the United States Postal Service of Filing Functionally Equivalent Inbound Competitive Multi-Service Agreement with Foreign Postal Operators, Docket No. CP2020-169, June 11, 2020, at Attachment 1 (Application of United Postal Service for Non-Public Treatment of Materials).

## **Certification of Prices for Inbound Competitive Multi-Service Agreement with Foreign Post Offices**

I, Nan K. McKenzie, Manager, Pricing Innovation, Finance Department, United States Postal Service, am familiar with the inbound competitive prices for the "PRIME United States Postal Service Tracked Service Agreement" (referred to as the "PRIME Agreement") executed in 2020. The prices contained in the PRIME Agreement were established in accordance with the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-published Competitive Rates, issued on February 7, 2019.

I hereby certify that the cost coverage for the PRIME Agreement has been appropriately determined and represents the best available information. The rates are in compliance with 39 U.S.C. § 3633(a)(1), (2), and (3). The rates demonstrate that the PRIME Agreement should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from the PRIME Agreement should be much smaller. The PRIME Agreement should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Nan K.

McKenzie

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